

2013 General Session
Retirement and Independent Entities Interim Committee
Related Bills Passed

Prepared by the Office of Legislative Research and General Counsel -- April 2013

H.B. 24 Utah Retirement System Amendments (*Rep. D. Ipson*)

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending its provisions.

This bill:

- ▶ amends definitions;
- ▶ amends retiree reemployment provisions by prohibiting a participating employer from making a retirement-related contribution that exceeds the normal cost rate for all reemployed retirees, not just full-time employees;
- ▶ increases the amount that is required to be corrected in payments made by the office if an error is discovered that results in a modification of the benefit amount;
- ▶ amends provisions related to benefit information forms that must be signed by each employee;
- ▶ allows the retirement office to communicate with members, beneficiaries, participating employers, and others through electronic means;
- ▶ clarifies that an employee of an institution of higher education who participates in other retirement systems is excluded from membership in the Utah Retirement Systems until the participating employer ceases employer contributions;
- ▶ repeals provisions that require death benefits to be provided through purchase of a group insurance policy for Tier I public employees and for Tier II public employees;
- ▶ expands the offsets used in determining long-term disability benefits to include any benefit earned for the same period of disability as the benefit was based;
- ▶ clarifies the date of termination of long-term disability benefits for exempted employees and volunteer firefighters;
- ▶ establishes investment requirements for employer contributions made on behalf of certain employees who are exempt from the four-year vesting requirements in the Tier II systems;
- ▶ provides that employees who are exempt from the four-year vesting requirement in the Tier II systems and who terminate before the one-year election period are entitled to all employer contributions and associated investment gains and losses; and
- ▶ makes technical changes.

*** H.B. 30 Line-of-duty Death and Disability Amendments (*Rep. R. Menlove*)**

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending provisions relating to line-of-duty death and disability benefits.

This bill:

- ▶ provides that a line-of-duty death for a public safety service or firefighter service employee includes a death that results from strenuous activity, including a heart attack or stroke, that occurs during training or another activity required by an act of duty as a public safety service or firefighter service employee;
- ▶ clarifies that a line-of-duty death for a public safety service or firefighter service employee does not include certain deaths;

* Bill recommended by the Retirement and Independent Entities Interim Committee as part of their 2012 interim study.

- ▶ provides that a line-of-duty disability for a firefighter service employee includes a physical or mental disability that results from strenuous activity, including a heart attack or stroke, that occurs during training or another activity required by an act of duty as a firefighter service employee;
- ▶ clarifies that a line-of-duty disability for a firefighter service employee does not include certain physical or mental disabilities; and
- ▶ makes technical changes.

*** H.B. 35 Retirement Analysis for New Public Entities (Rep. D. Ipson)**

This bill modifies Title 67, Chapter 1a, Lieutenant Governor, by amending notice of an impending boundary action requirement before certification by the lieutenant governor for the creation or modification of certain local entities.

This bill:

- ▶ requires a person or body required to submit a notice of an impending boundary action that creates or incorporates a local entity to the lieutenant governor to include a letter from the Utah State Retirement Office identifying potential retirement provisions that the local entity shall comply with related to the boundary action, if the impending proposed boundary action may result in a local entity that employs personnel; and
- ▶ makes technical changes.

H.B. 95 Amortization Rate Contribution for Reemployed Retirees Revisions (Rep. D. Sagers)

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending postretirement provisions for certain nonbenefited reemployed retirees.

This bill:

- ▶ clarifies that a participating employer is only required to make the amortization rate contribution for a reemployed retiree who:
 - has completed the one-year separation after retirement; and
 - elects to continue to receive a retirement allowance; and
- ▶ makes technical changes.

H.B. 193 Utah State Employment Amendments (Rep. B. Dee)

This bill modifies provisions relating to state employment.

This bill:

- ▶ requires participating employers to maintain records indicating whether an employee is receiving certain benefits;
- ▶ modifies a provision relating to a requirement that an employer provide benefit information to specified employees;
- ▶ enacts a definition of "benefits normally provided" for purposes of the Public Employees' Contributory Retirement Act, the Public Employees' Noncontributory Retirement Act, and the New Public Employees' Tier II Contributory Retirement Act;
- ▶ modifies a provision relating to the designation of positions that are exempt from career service provisions under the Utah State Personnel Management Act;
- ▶ enacts language relating to a hearing officer's decision relating to agency action in the context of a state employee grievance process, including requirements for the hearing officer's order;

* Bill recommended by the Retirement and Independent Entities Interim Committee as part of their 2012

interim study.

- ▶ authorizes the executive director to adopt rules to establish the maximum number of hours of converted sick leave an employee may accrue; and
- ▶ makes technical changes.

H.B. 194 State Employee Benefits Amendments (Rep. J. Dunnigan)

This bill modifies the Utah State Personnel Management Act by amending provisions relating to state employee benefits.

This bill:

- ▶ caps the Unused Sick Leave Retirement Program II to only include an employee's unused accumulated sick leave and converted sick leave accrued between January 1, 2006, and January 3, 2014;
- ▶ provides that a qualifying employee is an employee who is:
 - in a position receiving retirement benefits; and
 - not an employee in a postemployment status with the Utah Retirement Systems;
- ▶ provides that beginning on or after January 4, 2014, an employer shall make a biweekly matching contribution to a qualifying employee's defined contribution plan qualified under Section 401(k) of the Internal Revenue Code;
- ▶ provides that the matching contribution amount that an employer shall provide to each qualifying employee shall be determined on an annual basis by the Legislature;
- ▶ grants the executive director of the Department of Human Resource Management authority to make rules for the procedures to implement the matching supplemental defined contribution benefit; and
- ▶ makes technical corrections.

H.B. 325 Military Installation Development Authority Amendments (Rep. B. Dee)

This bill modifies the Military Installation Development Authority Act.

This bill:

- ▶ defines terms;
- ▶ provides that if an authority levies a resort communities tax, the actual number of permanent residents within the project area shall be used as part of the tax determination;
- ▶ provides for payment by a consumer of a municipal energy tax directly to the authority, if the consumer's energy supplier is not required under federal law to collect the tax;
- ▶ allows a military installation development authority (MIDA) to levy an energy tax on an energy supplier within a project area based on the delivered value of the energy;
- ▶ allows an energy supplier to recover an amount equal to its MIDA energy tax from its customers;
- ▶ provides that a MIDA energy tax is offset by any municipal energy tax paid by a customer on the same delivered value;
- ▶ amends MIDA board membership provisions;
- ▶ amends notice provisions for a newspaper of general circulation to within or near a project area;
- ▶ allows MIDA to use MIDA energy tax revenues for certain purposes, including uses outside of the project area where the revenue was generated; and
- ▶ makes technical changes.

S.B. 6 Retirement and Independent Entities Base Budget (Sen. T. Weiler)

This bill appropriates funds for the support and operation of state government for the fiscal year beginning July 1, 2013, and ending June 30, 2014.

This bill:

- ▶ provides appropriations for the use and support of certain state agencies;
- ▶ provides appropriations for other purposes, as described; and
- ▶ approves employment levels for internal service funds.

*** S.B. 10 Retirement Eligibility Amendments (Sen. T. Weiler)**

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending retirement eligibility provisions.

This bill:

- ▶ defines "part-time appointed board member" to mean a person who is appointed to serve as a member of a board, commission, council, committee, or panel of a participating employer and whose service as a part-time appointed board member does not qualify as a regular full-time employee;
- ▶ provides that a member who is retiring and who is also an elected official does not have to leave the elected office to be eligible to retire, unless the member is retiring as an elected official;
- ▶ provides that a member who is retiring and who is also a member of a part-time appointed board does not have to leave the board to be eligible to retire; and
- ▶ makes technical changes.

*** S.B. 16 Health Insurance Coverage Restrictions on Retired Governors and Legislators (Sen. T. Weiler)**

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending postretirement health coverage provisions for governors and legislators.

This bill:

- ▶ clarifies that only service as a governor or a legislator qualifies a recipient for governors' and legislators' group health coverage or Medicare supplemental coverage;
- ▶ provides that only service as a governor or a legislator who began before July 1, 2013, qualifies a recipient for Medicare supplemental coverage; and
- ▶ makes technical changes.

*** S.B. 26 Risk Management for Independent Entities (Sen. T. Weiler)**

This bill modifies the Independent Entities Code by amending requirements for a state independent entity to participate in coverage under the Risk Management Fund.

This bill:

- ▶ modifies the list of state independent entities included in the definition of "independent entity" in the Independent Entities Code;
- ▶ provides that an independent entity is not eligible for coverage by the Division of Risk Management unless the entity's authorizing statute specifically authorizes coverage;

* Bill recommended by the Retirement and Independent Entities Interim Committee as part of their 2012 interim study.

- ▶ modifies the authorizing statutes of certain independent entities to allow for participation in risk-management coverage;
- ▶ provides that the state risk manager may require participating independent entities to obtain additional insurance and comply with other loss-prevention measures for a commercial activity; and
- ▶ makes technical changes.

S.B. 45 *Workers' Compensation and Directors or Officers (Sen. E. Vickers)*

This bill modifies the Workers' Compensation Act to address excluding directors or officers of corporations from coverage as employees.

This bill:

- ▶ provides that if a corporation does not have an insurance carrier, it can notify the commission that it elects to exclude certain directors and officers from coverage under workers' compensation as employees;
- ▶ grants rulemaking authority; and
- ▶ makes technical changes.

S.B. 59 *Workers' Compensation Coordination of Benefits Amendments (Sen. K. Mayne)*

This bill amends the Insurance Code and the Utah Labor Code regarding payment of medical claims when an employee is injured.

This bill:

- ▶ defines terms;
- ▶ beginning July 1, 2014, requires a health benefit plan to pay for medical benefits otherwise covered by the health benefit plan, if an application for hearing is filed with the Labor Commission and while a workers' compensation claim is being adjudicated;
- ▶ exempts an insurer with less than 2% market share in the state from the requirements of the bill;
- ▶ includes the Public Employees' Benefit and Insurance Program as a health insurer subject to paying medical claims for an injured worker while a workers' compensation claim is being adjudicated;
- ▶ requires the Labor Commission to notify:
 - an injured employee of the employee's right to health insurance coverage while a workers' compensation claim is pending; and
 - a health insurer of an employee's application for hearing;
- ▶ provides that a health benefit plan may, at its option, provide notice to the Labor Commission of the health benefit plan's payment of a medical claim that is being adjudicated under workers' compensation;
- ▶ if the Labor Commission issues a final order or approves a settlement agreement that finds the medical claim is compensable as a workers' compensation claim, requires the workers' compensation carrier to reimburse:
 - the health benefit plan for the compensable medical claims plus 8% per annum interest, unless in settlement negotiations the health insurer agrees to waive any part of the compensation; and
 - the employee for out-of-pocket expenses associated with the compensable medical claim plus 8% per annum interest;
- ▶ prohibits a health care provider who received payment from a health benefit plan from seeking additional reimbursement for the same medical claim from the workers' compensation carrier, if a final order or settlement agreement of the Labor Commission determines that the claim is compensable as a workers' compensation claim;

- ▶ prohibits a health benefit plan from using automatic recovery or seeking reimbursement from a health care provider for a medical claim paid by the health benefit plan, if the health benefit plan is reimbursed by a workers' compensation carrier;
- ▶ prohibits the workers' compensation carrier from seeking reimbursement from a health care provider for the payment to the health benefit plan if a workers' compensation carrier is required to reimburse a health benefit plan for a medical claim paid by the health benefit plan;
- ▶ assesses a penalty on a workers' compensation carrier if the workers' compensation carrier does not reimburse a health benefit plan or employee within a certain period of time after an order issued by the Labor Commission is final;
- ▶ requires the Labor Commission to report to the Utah Insurance Department if a workers' compensation carrier fails to reimburse a health benefit plan or employee within a certain period of time;
- ▶ deposits the penalties collected by the Labor Commission into the Uninsured Employers' Fund;
- ▶ makes technical changes; and
- ▶ sunsets the coordination of benefits.

S.B. 113 Long-term Disability Coverage Amendments (Sen. T. Weiler)

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending provisions of the Public Employees' Long-term Disability Program.

This bill:

- ▶ allows the Public Employees' Long-term Disability Program to include one or more long-term disability benefit plans that differ from the benefit plan specified in statute for an eligible state public employee; and
- ▶ makes technical changes.

S.B. 147 Workers' Compensation and Occupational Safety Related Amendments (Sen. K. Mayne)

This bill modifies the Workers' Compensation Act, Utah Occupational Disease Act, and Utah Occupational Safety and Health Act to address issues related to health services and reporting.

This bill:

- ▶ amends definitions;
- ▶ grants rulemaking authority related to treatment protocols and determinations of medical necessity;
- ▶ authorizes contracts related to treatment protocols;
- ▶ addresses reporting requirements, including:
 - addressing reports by workers' compensation insurance carriers;
 - granting rulemaking authority;
 - addressing when civil assessments are imposed; and
 - removing certain criminal penalties; and
- ▶ makes technical and conforming amendments.